



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 28, 1998

H.R. 4257

A Bill to amend the Fair Labor Standards Act of 1938 to permit certain youth to perform certain work with wood products

*As ordered reported by the House Committee on Education and the Workforce
on July 22, 1998*

H.R. 4257 would amend the Fair Labor Standards Act (FLSA) to permit youths between the ages of 14 and 18 who are members of a religious sect or division that does not permit formal teaching beyond the eighth grade to be employed in the processing of wood products. Absent this legislation, several Amish-owned sawmills could face fines for child labor law violations. CBO estimates these fines would be less than \$100,000 each year. Therefore, enactment of this bill would result in a reduction of receipts from such fines, but the amount is likely to be insignificant. Nevertheless, pay-as-you-go procedures would apply.

The bill contains an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA) because the bill would preempt state child labor laws. Specifically, the bill would permit youths to work at businesses where machinery is used to process wood products. Under UMRA, such a preemption would be a mandate. Based on information from the states most likely to be affected, CBO expects that some states could forego fine revenue as a result of the preemption. Such losses are likely to be insignificant. The bill would not impose mandates or have other budgetary impacts on local or tribal governments.

H.R. 4257 contains no private-sector mandates as defined in UMRA.

This estimate was prepared by Christina Hawley Sadoti (federal cost), Hester Grippando (revenues), Marc Nicole (impact on state, local and tribal governments), and Ralph Smith (impact on the private sector).

This estimate was approved by Paul N. Van de Water, Assistant Director for Budget Analysis.